

6/30/03

STATE OF SOUTH CAROLINA
COUNTY OF OCONEE
RESOLUTION 2003-20

WHEREAS, Mr. W. H. "Ham" Hudson became the President of Oconee Memorial Hospital in November 1971; and

WHEREAS, Mr. Hudson is retiring, effective June 30, 2003, after thirty-two years of service; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor applaud Mr. Hudson's vision of a medical facility in Oconee County; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor wish to take this opportunity to express their appreciation to Mr. Hudson for the caring and professional manner in which he has performed his duties as President of Oconee Memorial Hospital; and

WHEREAS, the members of the Oconee County Council, for themselves individually and as a body, and on behalf of the citizens of Oconee County, desire to express to Mr. Hudson their heartfelt thanks and appreciation for the concern he has shown to the citizens of our county in securing funding for additional and renovations to Oconee Memorial Hospital and seeking trained, qualified physicians and professionals in the medical field.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled, that the Official Records and Minutes of the Oconee County Council contain the following:

"OCONEE COUNTY COUNCIL RECOGNIZES THE MANY HOURS AND SACRIFICES MADE BY MR. W. H. "HAM" HUDSON AS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF OCONEE MEMORIAL HOSPITAL, MR. HUDSON'S DEDICATION, CARE, PROFESSIONALISM AND ALTRUISTIC SERVICE WILL BE LONG REMEMBERED BY THE PHYSICIANS AND STAFF OF THE HOSPITAL AND CITIZENS OF THE COUNTY."

"BE IT FURTHER RESOLVED THAT OCONEE COUNTY COUNCIL AND OCONEE COUNTY SUPERVISOR CONGRATULATES MR. HUDSON ON BEING AWARDED THE "ORDER OF THE PALMETTO" AND MANY OTHER PRESTIGIOUS AWARDS. ALSO, WE WISH HIM THE BEST IN HIS FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June, 2003:

Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council

Attest:

Opal G. Green, Clerk to Council

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-21

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MS. BEVERLY CASEY UPON HER RETIREMENT, EFFECTIVE JUNE 30, 2003"

WHEREAS, Ms. Beverly Casey was employed with the Clemson Extension Service on April 23, 1978; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Ms. Casey their heartfelt thanks and appreciation for the many hours and service she has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MS. CASEY AS ADMINISTRATIVE SPECIALIST WITH CLEMSON UNIVERSITY EXTENSION SERVICE AND AS A RESULT OF HER ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR WISH MS. CASEY THE BEST IN HER FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June 2003.

Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council

Attest:

Opal O. Green
Clerk to Council

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-22

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MS. CAROLYN HARRIS UPON HER RETIREMENT, EFFECTIVE JUNE 30, 2003"

WHEREAS, Ms. Carolyn Harris was employed with the Clemson Extension Service on May 16, 1970; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Ms. Harris their heartfelt thanks and appreciation for the many hours and service she has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MS. HARRIS AS COUNTY EXTENSION AGENT FOR CONSUMER SERVICE WITH CLEMSON UNIVERSITY EXTENSION SERVICE AND AS A RESULT OF HER ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR WISH MS. HARRIS THE BEST IN HER FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June 2003,

Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council

Attest:

Opal O. Green
Clerk to Council

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-23

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MS. PATSY SMITH UPON HER RETIREMENT, EFFECTIVE JUNE 30, 2003"

WHEREAS, Ms. Patsy Smith was employed with the Clemson Extension Service on March 22, 1972; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Ms. Smith their heartfelt thanks and appreciation for the many hours and service she has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MS. SMITH AS ADMINISTRATIVE SPECIALIST WITH CLEMSON UNIVERSITY EXTENSION SERVICE AND AS A RESULT OF HER ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR WISH MS. HARRIS THE BEST IN HER FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June 2003.

*Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council*

Attest:

*Opal O. Green
Clerk to Council*

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-24

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MR. HOWARD HILLER UPON HIS RETIREMENT, EFFECTIVE JUNE 30, 2003"

WHEREAS, Mr. Howard Hiller was employed with the Clemson Extension Service on October 1, 1971 and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Mr. Hiller their heartfelt thanks and appreciation for the many hours and service he has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MR. HILLER AS COUNTY EXTENSION AGENT IN AGRICULTURE WITH CLEMSON UNIVERSITY EXTENSION SERVICE AND AS A RESULT OF HIS ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL, FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR WISH MR. HILLER THE BEST IN HIS FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June 2003.

Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council

Attest:

Opal O. Green
Clerk to Council

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-25

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MR. LEE KEESE UPON HIS RETIREMENT, EFFECTIVE JUNE 30, 2003"

WHEREAS, Mr. Lee Keese was employed with the Clemson Extension Service on June 1, 1973; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Mr. Keese their heartfelt thanks and appreciation for the many hours and service he has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MR. KEESE AS AREA LIVESTOCK AGENT WITH CLEMSON UNIVERSITY EXTENSION SERVICE AND AS A RESULT OF HIS ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR WISH MR. KEESE THE BEST IN HIS FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 39th day of June 2003.

Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council

Attest:

Opal O. Green
Clerk to Council

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-26

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MS. NINA HANKS UPON HER RETIREMENT, EFFECTIVE JUNE 4, 2003"

WHEREAS, Ms. Nina Hanks was employed with the South Carolina Department of Social Services; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Ms. Hanks their heartfelt thanks and appreciation for the many hours and services she has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MS. HANKS AS ECONOMIC SECURITY SPECIALIST WITH THE SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES AND AS A RESULT OF HER ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR WISH MS. HANKS THE BEST IN HER FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June 2003.

*Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council*

Attest:

*Opal O. Green
Clerk to Council*

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2003-27

TITLE: THIS RESOLUTION SHALL BE KNOWN AS "A RESOLUTION HONORING MR. JAMES H. SMITH UPON HIS RETIREMENT, EFFECTIVE APRIL 28, 2003"

WHEREAS, Mr. James H. Smith was employed with Oconee County as the Maintenance Supervisor September 14, 1989; and

WHEREAS, the Oconee County Council and the Oconee County Supervisor, for themselves individually, and as a body, and on behalf of the citizens of Oconee County desire to express to Mr. Smith their heartfelt thanks and appreciation for the many hours and services he has given to the citizens of our county.

NOW THEREFORE, BE IT RESOLVED, in Council duly assembled this date, that the official Records & Minutes of the Oconee County Council contain the following:

"THE OCONEE COUNTY COUNCIL AND THE OCONEE COUNTY SUPERVISOR RECOGNIZE THE MANY HOURS AND SACRIFICES MADE BY MR. SMITH AS MAINTENANCE SUPERVISOR AND AS A RESULT OF HIS ALTRUISTIC SERVICE TO OCONEE COUNTY, IT WILL FOR MANY YEARS, BE A BETTER PLACE IN WHICH TO WORK AND LIVE."

"BE IT FURTHER RESOLVED THAT THE OCONEE COUNTY COUNCIL, AND THE OCONEE COUNTY SUPERVISOR WISH MR. SMITH THE BEST IN HIS FUTURE ENDEAVORS."

APPROVED & ADOPTED on first and final reading this 30th day of June 2003.

Harry R. Hamilton
Interim Supervisor-Chair
Oconee County Council

Attest:

Opal D. Green
Clerk to Council

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN OCONEE COUNTY, SOUTH CAROLINA, AND VALENITE MANUFACTURING INC., WHEREBY, UNDER CERTAIN CONDITIONS, OCONEE COUNTY WILL EXECUTE A FEE-IN-LIEU OF TAX AGREEMENT FOR A PROJECT INVOLVING NOT LESS THAN TWENTY-FIVE MILLION DOLLARS (\$25,000,000) INVESTMENT

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, properties (which such properties constitute a "project" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such a project; to enter into or allow financing agreements with respect to such projects; and, to accept any grants for such projects through which powers the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; and

WHEREAS, subject to compliance with the Home Rule Act, the County is authorized by the Act to execute a fee agreement, as defined in the Act, with respect to such project; and

WHEREAS, Valenite Manufacturing Inc., a company duly incorporated and existing under the laws of the State of Michigan (the "Company"), has requested the County to participate in executing an Inducement Agreement, a Millage Rate Agreement, and a Fee-In-Lieu of Tax Agreement in the form of a Fee Agreement pursuant to the Act for the purpose of authorizing and of acquiring by purchase, lease and construction certain land, buildings, machinery, apparatus, and equipment, for the purpose of a manufacturing facility which will manufacture carbon tip cutting devices (the "Project"), all as more fully set forth in the Inducement Agreement attached hereto; and

WHEREAS, the County has determined that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes and that the inducement of the location or expansion of the Project within the County and State is of paramount importance and that the benefits of the Project will be greater than the costs; and,

WHEREAS, the County has determined solely on the basis of the information supplied to it by the Company that the Project would be a "project" as that term is defined in the Act and that the Project would subsserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. The Interim Supervisor/Chairman of County Council is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name of and on behalf of the County, and the Clerk of County Council is hereby authorized and directed to attest the same; and the Interim Supervisor/Chairman of the County Council is hereby further authorized and directed to deliver said executed Inducement Agreement to the Company.

Section 2. As provided in the Inducement Agreement, pursuant to the authority of the Act and for the purpose of authorizing a fee-in-lieu of tax agreement (as described in the Act) for the Project, the County intends to authorize and execute a fee agreement between the County and the Company, as such term is defined in the Act, pertaining to the Project involving investment in the principal amount of not less than Twenty-Five Million Dollars (\$25,000,000) (the "Fee Agreement").

Section 3. The provisions, terms and conditions of the Fee Agreement by and between the County and the Company and the form, details, and maturity provisions, if any, of the Fee Agreement shall be prescribed by subsequent ordinance of the County Council.

Section 4. Notwithstanding anything in this Resolution to the contrary, the execution and delivery by the County of the Fee Agreement are subject to compliance by the County with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions, and to the actual adoption of such ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this Resolution shall constitute an official action on the part of the County relating to the inducement of the Project.

Done in meeting duly assembled this 30th day of June, 2003

OCONEE COUNTY, SOUTH CAROLINA

Council

By: _____
Henry R. Hamilton, Interim Supervisor/Chairman of County
Oconee County, South Carolina

ATTEST:

By: _____
Opal O. Green, Clerk to County Council
Oconee County, South Carolina

**INDUCEMENT AGREEMENT
AND MILLAGE RATE AGREEMENT**

THIS INDUCEMENT AGREEMENT made and entered into by and between Oconee County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County") and Valerite Manufacturing Inc., duly incorporated and existing under the laws of the State of Michigan (the "Company"),

WITNESSETH:

ARTICLE I

RECITATION OF FACTS

Section 1.1. As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

(a) The County is authorized and empowered by the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976 (the "Act") to acquire, enlarge, improve, expand, equip, furnish, own, lease, and dispose of properties through which the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing new industries to locate in the State and by encouraging industries now located in the State to expand their investments and thus utilize and employ manpower and other resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally.

(b) The Company, as such term is defined in the Act, is considering acquiring by purchase, lease and construction facilities and capabilities to be used for manufacturing carbon tip cutting devices (the "Project") in the County. The Project would involve an investment of at least Twenty-Five Million Dollars (\$25,000,000) within the meaning of the Act.

(c) The Company has requested the County to assist it through the incentive of a payment in lieu of ad valorem taxes as authorized by the Act.

(d) The County has given due consideration to the economic development impact of the Project, has found that the Project and the payments in lieu of ad valorem taxes set forth herein are beneficial to the Project and that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either; and, that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the

County, are proper governmental and public purposes and that the inducement of the location or expansion of the Project within the County and State is of paramount importance and that the benefits of the Project will be greater than the costs; and, has agreed to effect the issuance and delivery of this Agreement, pursuant to the Act, and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

Subject to the general provisions contained in Article IV hereof, the County agrees as follows:

Section 2.1. The Project will represent an investment in an aggregate principal amount of not less than Twenty-Five Million Dollars (\$25,000,000). The Project will be constructed or installed by the Company on the sites now owned, leased or hereafter acquired by the Company. The Fee Agreement will contain suitable provisions for acquisition and construction of the Project by the Company at the completion or earlier termination of the Fee Agreement.

Section 2.2. The terms and provisions of the Fee Agreement by and between the County and the Company, shall be substantially in the form generally utilized in connection with the Act as agreed upon by the County and the Company. Such Fee Agreement shall contain, in substance, the following provisions:

- (a) The term of the Fee Agreement will coincide with the maximum term of the negotiated fee pursuant to the Act.
- (b) The Company will maintain the Project and will (i) keep the Project insured against loss or damage or perils generally insured against by industries or businesses similar to the Company and will carry public liability insurance covering personal injury, death or property damage with respect to the Project; or (ii) self-insure with respect to such risks in the same manner as it does with respect to similar property owned by the Company; or (iii) maintain a combination of insurance coverage and self-insurance as to such risks.
- (c) The Fee Agreement shall provide that, in the performance of the agreements contained therein on the part of the County, any obligations the County may incur for the payment of money shall not create a pecuniary liability of the County nor create a general obligation on its part or by the State or any incorporated municipality, but shall be payable solely from the payments received under such Fee Agreement and, under certain circumstances, insurance proceeds and condemnation awards.
- (d) The Fee Agreement shall contain agreements providing for the indemnification of the County and the individual officers, agents and employees

thereof for all expenses or attorney's fees incurred by them and for any claim of loss suffered or damage to property or any injury or death of any person occurring in connection with the planning, design, acquisition, construction and carrying out of the Project, including without limitation any environmental liability.

(e) The Fee Agreement shall contain a provision requiring the Company to make payments in lieu of taxes. Pursuant to the Act, such payments shall continue for a period of up to twenty (20) years from the date of the Fee Agreement, the annual capital investments made under the Fee Agreement for the first five years, and any amendments or supplements to the Fee Agreement to the extent permitted by law. The amounts of such payments shall be determined by using an assessment ratio of 6.0%, a millage rate based on the June 30, 2002 millage rate, which millage rate shall remain fixed for the duration of the Fee Agreement, and the fair market value (which value is not subject to reassessment as provided in the Act) as determined by using original cost for any real property and original cost less allowable depreciation for any personal property in accordance with Title 12, Chapter 37, Code of Laws of South Carolina 1976, as amended.

(f) The County and the Company agree, in accordance with the Act, that the Company may dispose of property subject to fee payments, as set forth in this Section.

(1) When the Company disposes of property subject to the fee, the fee payment must be reduced by the amount of the fee payment applicable to that property.

(2) Property shall be considered disposed of for purposes of this Section only when it is scrapped or sold in accordance with the Fee Agreement.

(g) The County and the Company agree that the Company may purchase replacement property, which replacement property will be included into the fee to the full extent allowed pursuant to the Act.

Section 2.3 Upon the request of the Company, the County will permit the planning, design, acquisition, construction and carrying out of the Project to commence prior to the execution and delivery of the Fee Agreement. Contracts for construction and for purchase of machinery, equipment and related real and personal property deemed necessary under the Fee Agreement may be let by the Company.

Section 2.4 The County Council agrees that this is a Millage Rate Agreement providing the Company with the millage rate legally levied and applicable on June 30, 2002, which millage rate shall be fixed as to all property subject to the Fee Agreement for the duration of the Fee Agreement.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE COMPANY

Section 3.1. Prior to execution of the Fee Agreement and subsequent to this Agreement, the Company may advance any acquisition or construction funds required in connection with the planning, design, acquisition, construction and carrying out of the Project and be entitled to subject the constructed or acquired property to the Fee Agreement.

Section 3.2. The County will have no obligation to assist the Company in finding a bank and the Company may endeavor to finance the Project to the extent required to finance the cost of the acquisition and installation of the Project.

Section 3.3. If the Project proceeds as contemplated, the Company and the Sponsors, if applicable, further agree as follows:

(a) To enter into the Fee Agreement, under the terms of which it will obligate itself to pay to the County sums sufficient to pay payments in lieu of tax in accordance with Section 2.2(e) hereof, to the extent and when the same may become due and payable with the Fee Agreement to be in form and to contain such provisions, consistent with those set forth in Section 2.2 hereof as shall be satisfactory to the County and to the Company;

(b) To indemnify, defend, and hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement and in the implementation of its terms and provisions, including without limitation its reasonable attorneys fees;

(c) To perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing;

(d) To apply for, and use its best efforts to obtain, all permits, licenses, authorizations and approvals required by all governmental authorities in connection with the acquisition, construction, operation and use of the Project;

(e) To indemnify, defend and hold the County and the individual directors, officers, agents and employees thereof harmless against any claim or loss or damage to property or any injury (or death) of any person or persons occurring in connection with the planning, design, acquisition, construction, leasing and carrying out of the Project, including without limitation any environmental liability. The Company also agrees to reimburse or otherwise pay, on behalf of the County, any and all expenses not hereinbefore mentioned incurred by the County in connection with the Project, including without limitation its reasonable attorney's fees. This indemnity shall be superseded by a similar indemnity in the

Fee Agreement;

(f) To invest not less than Twenty-Five Million Dollars (\$25,000,000) in the Project by December 31 of the fifth year subsequent to the year in which the Fee Agreement is executed.

ARTICLE IV GENERAL PROVISIONS

Section 4.1. All commitments of the County under Article II hereof are subject to compliance by the County with the provisions of the South Carolina Home Rule Act and all of the provisions of the Act, including, without limitation, the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing powers of either.

Section 4.2. All commitments of the County and the Company hereunder are subject to the condition that the County and the Company agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.3. If for any reason this Agreement is not executed and delivered by the Company on or before December 31, 2004 the provisions of this Agreement shall be cancelled and neither party shall have any rights against the other and no third parties shall have any rights against either party except:

(a) The Company will pay the County for all expenses which have been authorized by the Company and incurred by the County in connection with the planning, design, acquisition, construction and carrying out of the Project and for all expenses incurred by the County in connection with the authorization and approval of the Fee Agreement or this Agreement.

(b) The Company will assume and be responsible for all contracts for construction or purchase of the Project entered into by the County at the request or direction of the Company in connection with the Project; and

(c) The Company will pay the out-of-pocket expenses of officers, agents and employees of the County and Counsel for the County incurred in connection with this Agreement, the Project and the execution of the Fee Agreement, including fees for legal services related to the Project and the preparation of the Fee Agreement and this Agreement.

Section 4.4. The parties understand that the Company may choose not to proceed with the Project, in which event this Agreement shall be cancelled and, subject to parties' obligations described in Section 4.3, neither party shall have any further rights against the other, and no third party shall have any rights against either party.

Section 4.5. To the maximum extent allowable under the Act, the Company and the Sponsors, if applicable, may, with the prior consent of the County, assign (including, without limitation, absolute, collateral, and other assignments) all or a part of its rights and/or obligations under this Agreement, the Fee Agreement, or any other agreement related hereto or thereto, to one or more other entities without adversely affecting the benefits to the Company or its assignees pursuant to any such agreement or the Act.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Inducement Agreement on the respective dates indicated below.

OCONEE COUNTY, SOUTH CAROLINA

Council

By: _____
Harry R. Hamilton, Interim Supervisor/Chairman of County
Oconee County, South Carolina

ATTEST:

By: _____
Opal O. Green, Clerk to County Council
Oconee County, South Carolina

Date: June 30, 2003

VALENTE MANUFACTURING INC.

By: _____

Its:

Date: July __, 2003

Presentation and Request for Assistance
Twenty-Year Property Tax Fee in Lieu
For
Valenite Manufacturing Inc.
To The
Oconee County Council
By
Crowe Chizek and Company LLC
June 30, 2003

Overview:

1. Valenite began operations at six separate plant locations in Oconee County in 1979.
2. Valenite is consolidating operations into one expanded plant in Westminster, South Carolina.
3. Valenite's former parent company, Milacron, sold Valenite to Sandvik, AB in 2002.
4. Current workforce: 240 employees, which represent an increase of 26 employees over previous year.
5. Projected Valenite capital spending in Oconee County for this current expansion:

Land: approximately \$3 - \$6 million.
Building and Land Improvements: approximately \$3.5 million.
Machinery and Equipment: approximately \$25 - \$30 million.
Jobs: creating approximately an additional 10 - 15 new jobs.
6. Valenite pays in excess of the county average industrial wage. Valenite also provides normal employee benefits that include medical benefits, retirement benefits, and continued technical skills education and training.
7. Valenite, and their Swedish parent company Sandvik AB, foresee a long-term expansion plan at this site.
8. Valenite respectfully requests consideration and assistance from Oconee County Council, to provide property tax relief in the form of a twenty-year fee in lieu of tax.

Byerley & Payne
CERTIFIED PUBLIC ACCOUNTANTS, P. A.
114 WEST NORTH FIRST STREET
SENECA, SOUTH CAROLINA 29678
864-882-1937

Kirk S. Messick
CERTIFIED PUBLIC ACCOUNTANT, P. A.
P. O. BOX 773
SENECA, SOUTH CAROLINA 29679
864-882-5390

May 15, 2003

Oconee County
Ms. Phyllis Lombard
415 South Pine Street
Walhalla, SC 29691

This letter confirms our understanding of the arrangements for the audits of the basic financial statements of Oconee County as of June 30, 2003 and 2004 and for the years ending June 30, 2003 and 2004.

We will audit the Oconee County basic financial statements as of June 30, 2003 and 2004, for the years then ended, for the purpose of evaluating the fairness of presentation of such financial statements in conformity with accounting principles generally accepted in the United States of America and for expressing an opinion on them. It is possible that facts or circumstances encountered during the audit may require us to express an opinion other than unqualified; we will fully discuss the reasons with you in advance should this occur.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, if required. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Management is responsible for making all financial records and related information available for purposes of the audit.

Our audit will include such tests of the accounting records and other auditing procedures we consider necessary in the circumstances. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel, and banks. At the conclusion of our audit, we will request certain written representations from you about the financial statements and related matters.

An audit conducted in accordance with auditing standards generally accepted in the United States of America is subject to certain limitations and the inherent risk that errors, fraud, or illegal acts may exist and not be detected by us. However, we will inform you of any material errors and fraud that come to our attention. We will also inform you of any illegal acts that come to our attention, unless clearly inconsequential.

An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, i.e., significant deficiencies in the design or operation of internal control. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

We direct your attention to the fact that management of Geonee County has the responsibility for the proper recording of transactions in the books of account, for establishing and maintaining adequate and effective internal control, for the safeguarding of assets, for ensuring compliance with applicable laws and regulations, and for the preparation and substantial accuracy of the financial statements. Although we may advise you about appropriate accounting principles and their application, the selection and method of application are the sole responsibility of the management. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations applicable to its activities.

Our base fee for the audit for both years will be \$28,000 plus travel expenses. The additional time required to assist the County in implementing GASB 14 and related statements and including all required component units in the financial statements will be billed at a rate ranging from \$35 to \$60 per hour depending upon the individual performing the work.

In the event that the GASB, FASB, AICPA, GAO, or OMB issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Our fee for addressing the additional requirements will range from \$35 to \$60 per hour.

We agree to retain our workpapers related to this audit for a period of at least three years from the date of our report.

We have also attached a copy of our latest external peer review report of our firm for your consideration and files. We are pleased to participate in this review program as continued evidence of our emphasis on providing Geonee County the highest quality audit.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

If the foregoing is in accordance with your understanding, please indicate your agreement by signing the duplicate copy of this letter and returning it to us. If you have any questions, please let us know.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Sincerely,



Mark A. Payne, CPA

Response:

This letter correctly sets forth our understanding.

Approved by: _____

Title: _____

Date: _____

Mission Statements

Office of Community Services Department of Health and Human Services

The Mission of the Office of Community Service is to work in partnership with States, communities and other agencies to provide a range of human and economic development services and activities which ameliorate the causes and conditions of poverty and otherwise assist persons in need. The aim of these services and activities is to increase the capacity of individuals, and families to become self-sufficient, to revitalize communities, and to build the stability and capacity of children, youth, and families so that they become able to create their own opportunities.

Shantel Human Advancement Resources, Inc. (SHAR)

The primary mission of any Community Action Agency is to make the entire community more responsive to the needs and aspirations of the poor by mobilizing resources and facilitating greater institutional sensitivity to their problems. Thus the real measure of a CAA's effectiveness is not just the services which it provides, but the improvements and changes it achieves in a community's attitudes and practices toward the poor. This measurement may focus on how resources within the community are utilized for anti-poverty purposes.

SHAR's mission is to mobilize available resources toward the goal of human advancement, of assisting low-income households and low-wealth neighborhoods to break the cycle of poverty and to become self-sufficient.

South Human Advancement Resources, Inc. (SHARE) is a non-profit community action agency, established in 1965 to serve low-wealth neighborhoods, families, and individuals. SHARE serves families whose annual incomes are at or below the poverty level as defined by the US Department of Health and Human Services guidelines. Services are provided based upon need and SHARE's ability to help, without regard to race, color, creed, age, or gender.

Serving Greenville, Anderson, Pickens, and Oconee counties, SHARE has programs and services that are clustered in two program departments:

Children and Family Development includes our Head Start programs, which serve 1,200 three and four year olds, and their families. The programs include regular Head Start (comprehensive services for pre-school children and their families), Parent and Child Center programs (comprehensive services to children 6-4 years of age and their families) and Family Service Centers (Works with Head Start families of enrolled children in employability, parenting, literacy, and substance abuse).

Community Economic Opportunity enables low-wealth households become self-sufficient through three priorities: (1) Economic and social self-sufficiency (case management toward employment, decent housing and enhanced family/community development). (2) Emergency assistance for relief of crisis conditions in shelter, energy, health, or other household emergencies. (3) Partnerships enables capacity building, resource mobilization and empowerment to achieve planned community goals.

SHARE offers a full range of services and a comprehensive response to the immediate challenges of the low-income, high-risk population. Too, SHARE responds to long range issues in employment, job skills training, basic skills enhancement, non-traditional employment, and self-sufficiency. Case management allows interventions and follow-up with families who are willing to make opportunities work for them toward a goal of self-sufficiency. Those served by SHARE include jobless, homeless, single parents and their children, high-risk students, children, youth, and other program eligible families and individuals. The focus of SHARE's services is reflective of the need identified by participants, low-wealth populations, the Board of Directors, the Executive Director, and the staff. Programs are developed based upon the resources available and the impact that can be made on identified needs and opportunities.

Planning Commission Salary & Training Budget

Line Item: 010-701-10110-61150

Amount Requested: \$4200.00

Explanation: Increase Salary of Commissioners from \$100/year to \$25/meeting

Justification: Involvement with implementing the Oconee County Capital Improvements Plan will require the Planning Commission to hold, in addition to its regular monthly meetings, a number of special meetings and work sessions. These additional duties will likely impose a significant increase in personal economic cost upon the individual commissioners. The requested money will at least in part offset this extra expense. Also, because Oconee County is faced with an increasing number of growth-related issues, the commissioners need an opportunity to attend schools and seminars that address such issues. Therefore, any money not needed for meetings can be made available to provide the commissioners an opportunity to attend education and training sessions. A training program for the commissioners will be presented to County Council prior to implementation.

Additionally, if the requested funds are approved, moving the salaries into a line item within the Planning Department's budget would enable staff to more efficiently monitor and utilize the funds.